

Caribbean Distribution 101: Cutting through the online clutter

Guiding today's hotelier through the modern distribution
landscape for increased performance and growth



CARIBBEAN
HOTEL & TOURISM
ASSOCIATION



Speakers



PRESENTER

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SiteMinder



GUEST SPEAKER

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Owner
boutique, ROI

History of Distribution



Distribution
History Timeline

History of Distribution

DIRECT CONNECT
CONSOLIDATION



EMERGING
CHANNELS



SOCIAL MEDIA



NEW
CONNECTIVITY



CHANNEL SHIFTED
TO OTAs



Distribution
History Timeline

Important to understand guest & traveler behavior



Hotels and travel service providers in the US can expect 52% of travelers to book using a mobile device in 2016
(eMarketer.com)

Guest's journey to booking is complex.
Customers visit 38 websites on average before booking

(Expedia Media Solutions)

Mobile bookings on the up and still growing

One size does not fit all
(leisure, business, customer segments and behaviors)

Hotels are being sold on multiple platforms,
and are just one piece of the guest's complex travel booking experience.



The challenges of being an independent hotel

SERPs

**Direct
Booking
Strategies**

**OTA
Ranking**

Budget

**Retargeting
Advertisements**

Distribution opportunities for independents

OTAs

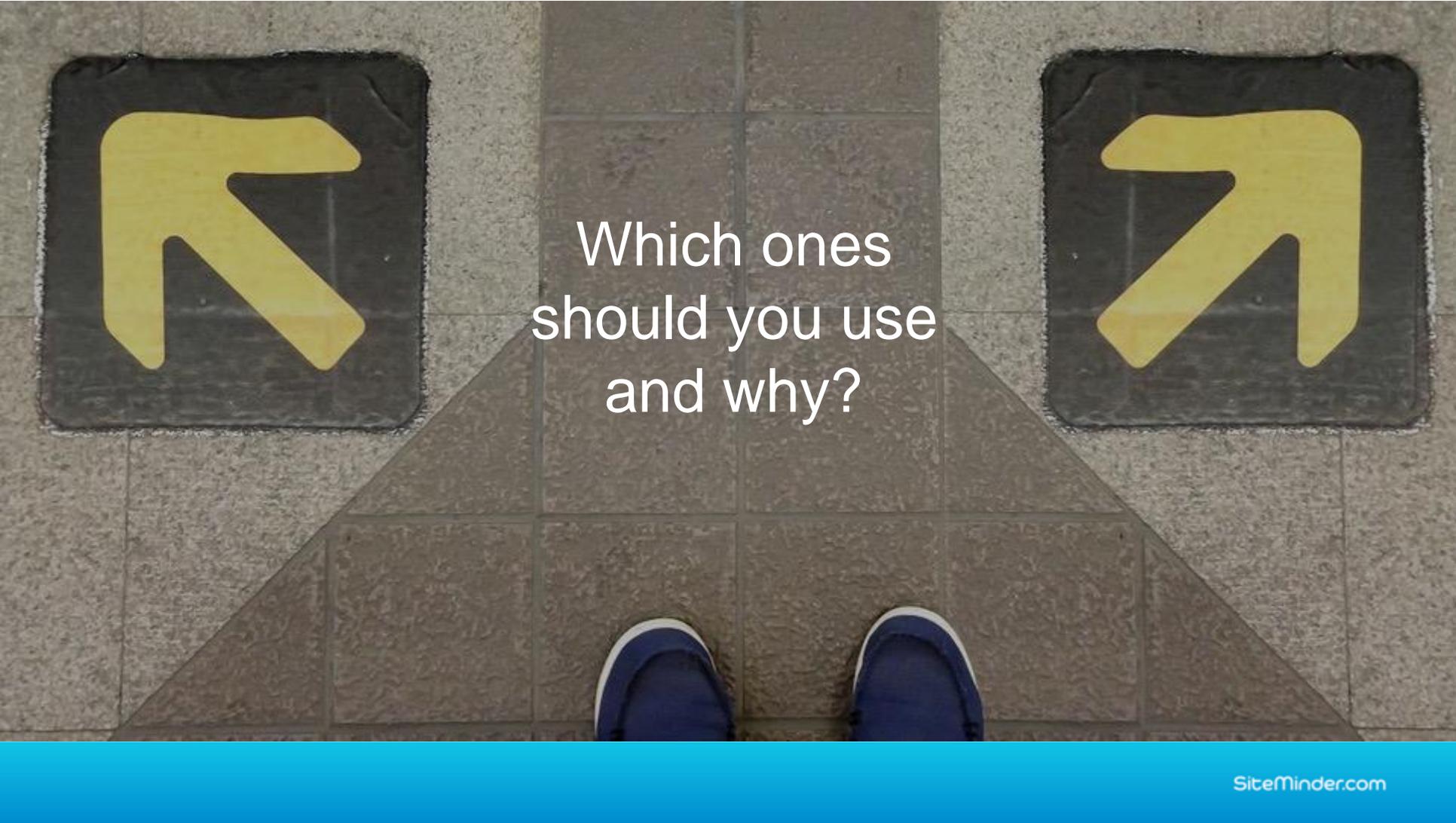
% commission

Metasearch

CPC / CPA

GDS

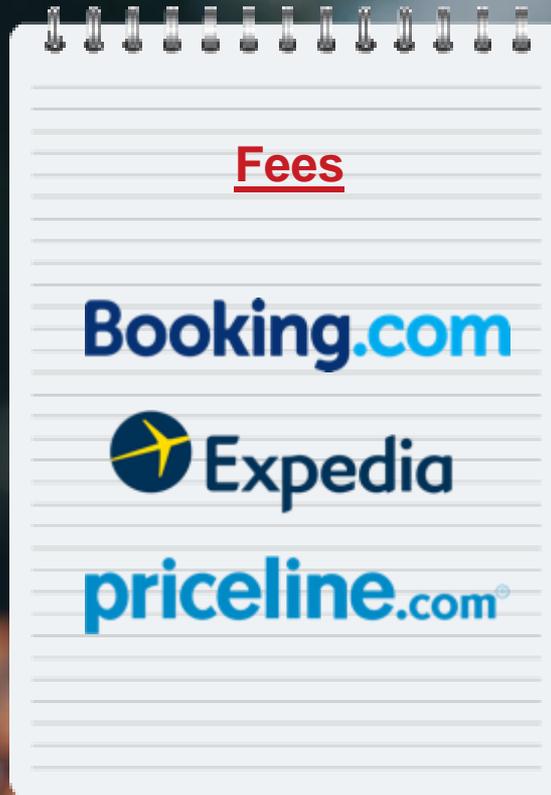
Retail / Merchant /
Opaque model



Which ones
should you use
and why?

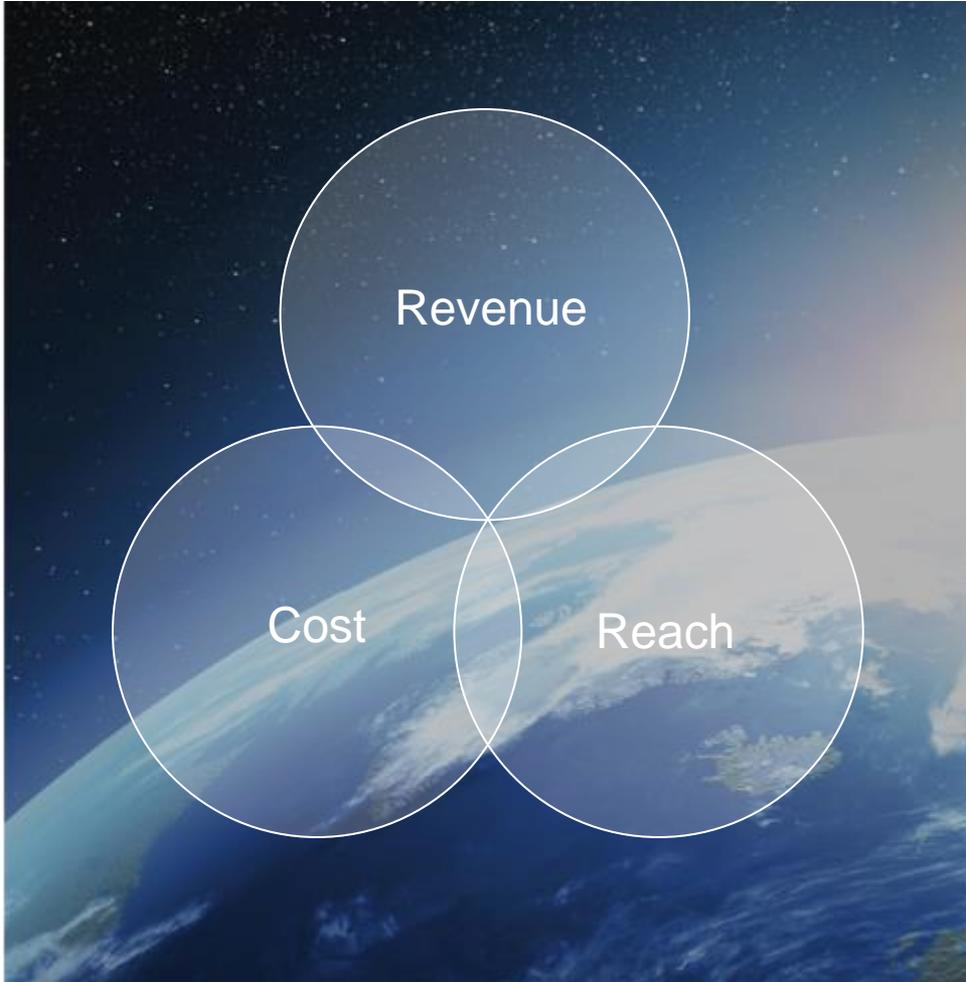
OTAs

How it works



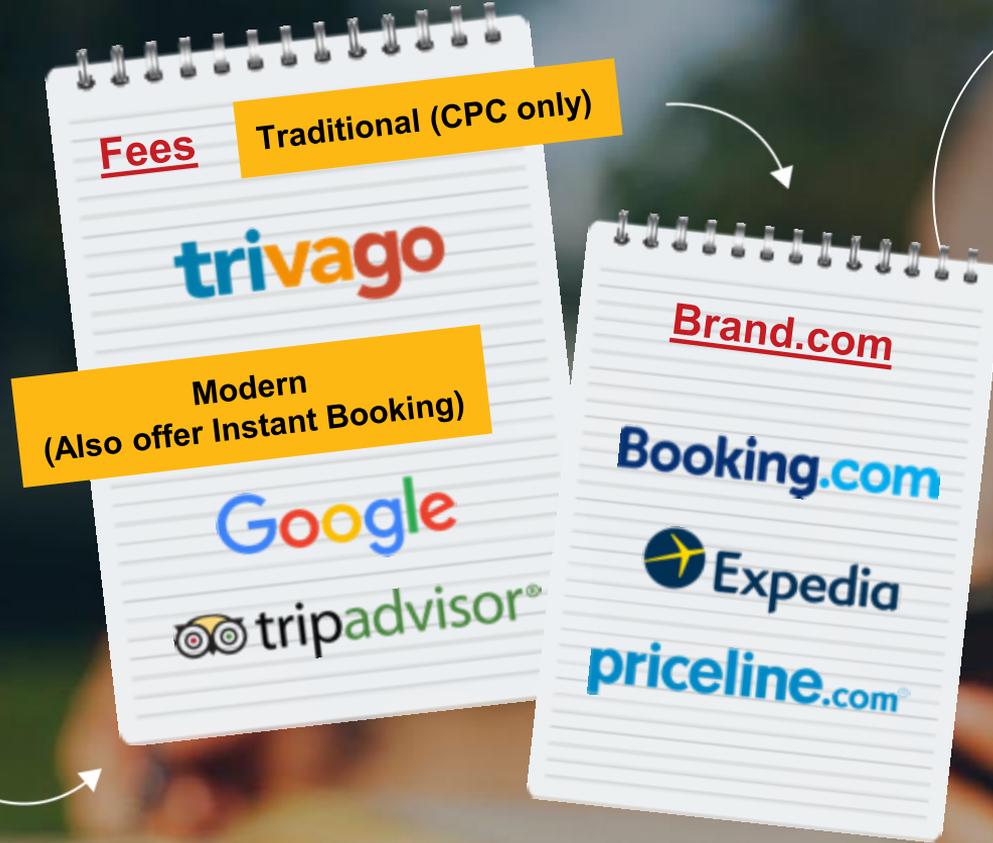
How to be strategic with OTAs

- Look at OTAs from emerging economies
- Attract, reach, and convert using 'The Billboard Effect'
- Balance global with local



Metasearch

How it works



How to be
strategic with
metasearch



Understand the
constantly
blurring line between
OTAs and
metasearch sites

How to be
strategic with
metasearch



Don't underestimate its
effectiveness

Knowledge of metasearch is low among US
independent hotels, but they still rank it as 2nd
most effective channel

(Source: Phocuswright & SiteMinder)

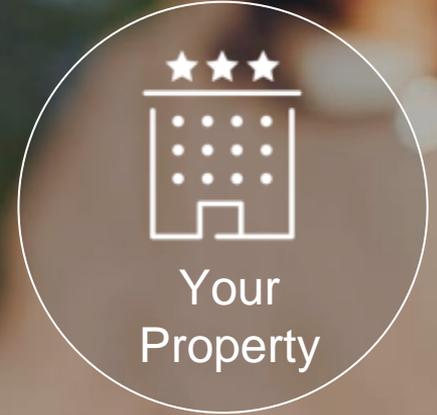
How to be strategic with metasearch



Use metasearch for awareness, then optimize your website to help guests book on brand.com & capture those bookings

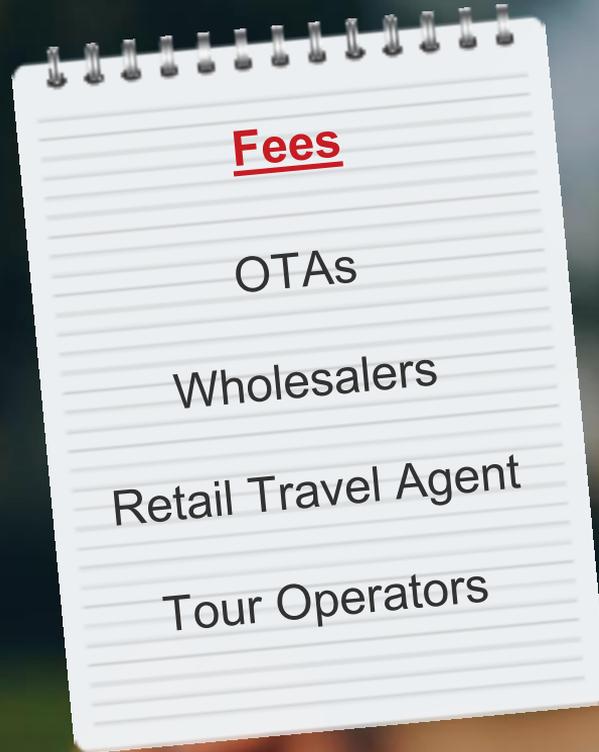
GDS

How it works
(Retail Model)



GDS

How it works
(Merchant Model)



How to be strategic with GDSs



Understand that GDSs have been around for a long time and for good reason...

But due to high associated costs, hoteliers should be strategic with GDSs

How to be strategic with GDSs

A tablet is shown in the foreground, displaying a cityscape with the Empire State Building. The text "Use GDSs to tap into the business travel and luxury market" is overlaid on the image.

Use GDSs to tap into the
business travel
and luxury market

How to be strategic with GDSs

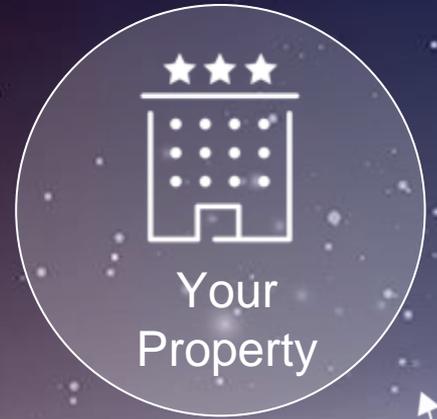
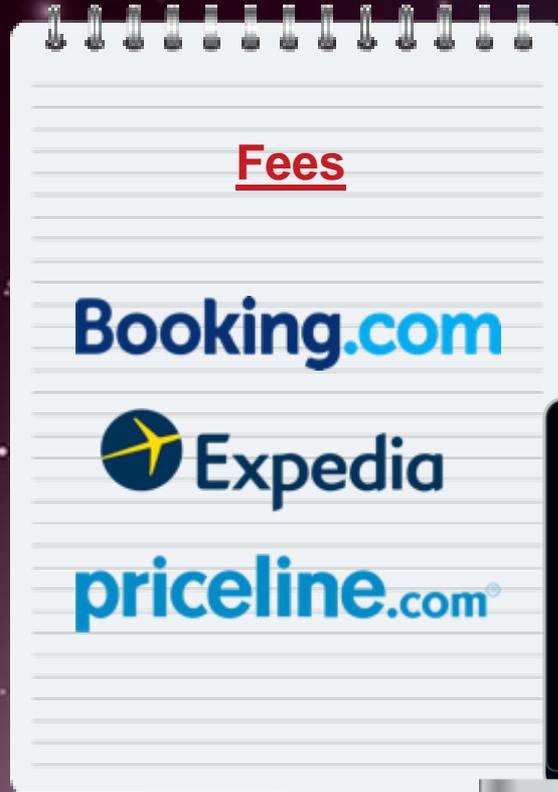


Use GDSs for a single point of entry to over 500k+ travel agents like:

- Kiwi Collection
- MLT Vacations
- Destinations of the World
- Virgin Holidays and more

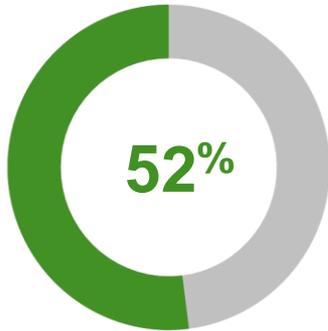
GDS

Owning the OTA
relationship

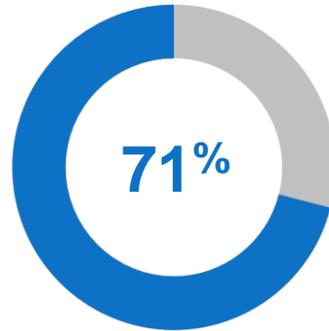


You need the right technology to manage it all

According to Phocuswright research co-sponsored by SiteMinder....



OTAs will continue to grow market share in the short term - representing **52%** of online gross bookings by 2017



71% of independent hotels' marketing spend goes to online channels



Distribution **cost** as well as lack of **control** are the most frequently cited challenges with OTAs

You need the right technology to manage it all

Use a channel manager such as SiteMinder's to...



Get booked
faster online



Remove manual
entry with complete
real-time automation



Have all your rooms
online at once to
increase revenue



Make more powerful
and insightful
decisions

agoda.com



1 0

1 0



1 0



1 0

Booking.com

1 0

amADEUS

1 0



1 0

HOTEL



1 0 Rooms Available

Owning the OTA relationship means significant cost savings

Potential current and future expenses for a 60-room hotel property

Expenses using SiteMinder's Channel Manager for OTA bookings

Expenses using the GDS for OTA bookings

No. of OTA bookings per month	300
Cost per OTA booking via CRS	\$5.30
GDS monthly fee	None
Total monthly expense	\$1,590
Total annual expense	\$19,080

No. of OTA bookings per month	300
Cost per OTA booking via SiteMinder's Channel Manager	None
GDS monthly fee	\$159
Total monthly expense	\$159
Total annual expense	\$1,908*

ANNUAL SAVINGS: \$17,172*

*Does not include the one-off setup fee of \$699 for a 60-room hotel property

But, what about direct bookings?

72% of independent properties believe their direct website to be their most important channel

But OTAs, metasearch, and GDS are all part of a holistic distribution strategy...don't put all your eggs in one basket!

The Hotel View:

How should I reach my customers?



COSTS

Technology Fees
Commission Fees
Advertising Fees

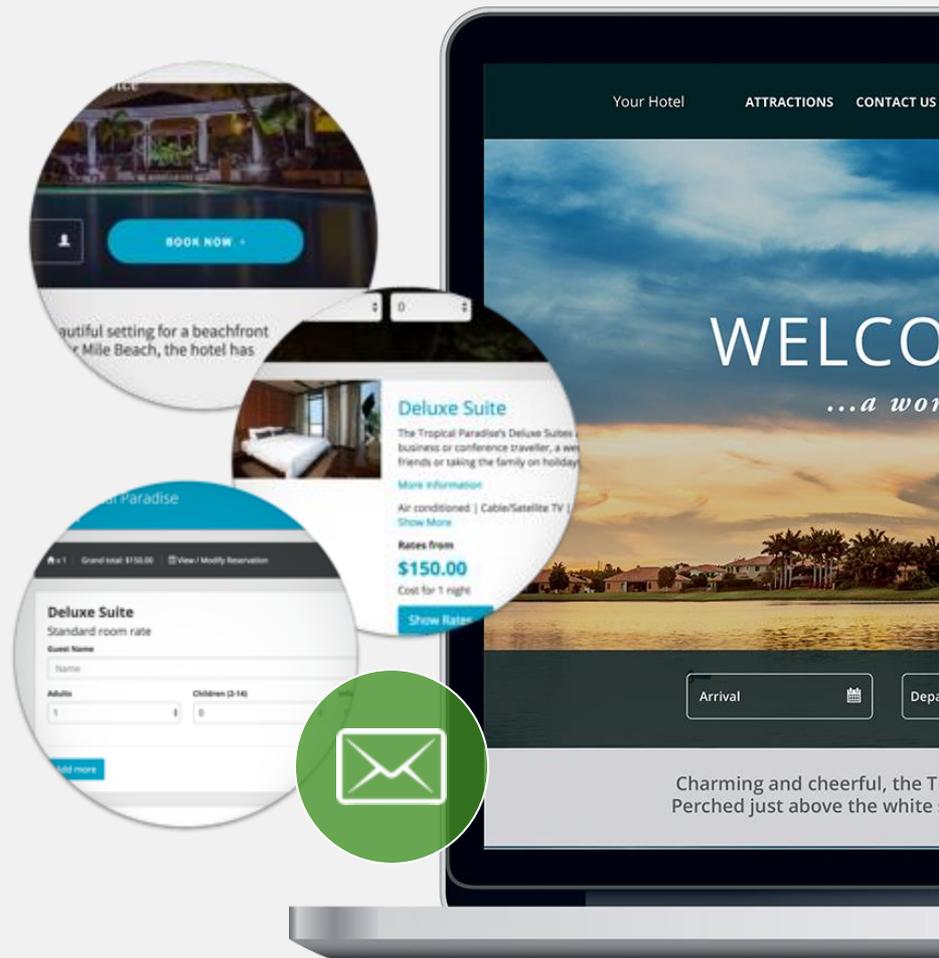
BENEFITS

Global Reach
Average Daily Rate
Customer Loyalty

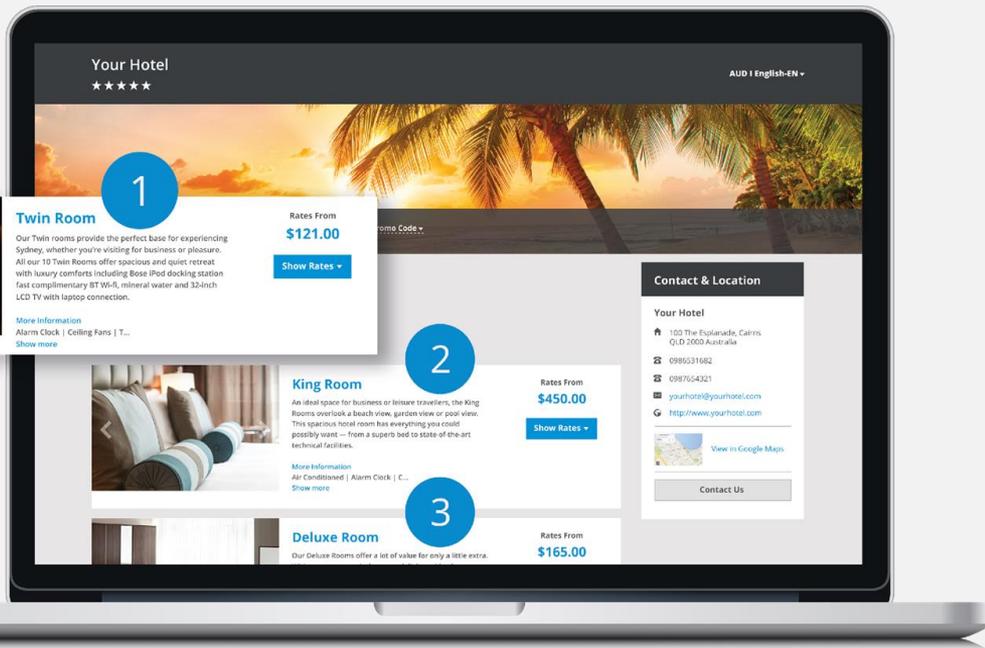
Enhance your most profitable channel

Look for an internet booking engine that can help you:

- Reach travelers on any device
- Keep guests on your website for longer
- Provide a clear path to booking
- Two-step booking process, plus seamless connection to marketing channels



Add **TheBookingButton** to your website and increase your direct bookings with a seamless booking experience for guests



"Since going live with TheBookingButton, we have received a substantial increase of reservations from our website as it looks more professional, it's easy..."

Newmark Hotels, South Africa



WordPress



Joomla!



Canvas

Consider the
importance of
system integration



Streamline your distribution and operational goals



More Revenue

Broadened
distribution



More Profit

Direct
bookings



Less Time

Fewer systems and
logins to manage



“The momentum for change becomes unstoppable.”

Gladwell

Tipping point: Let your success online generate itself.

boutiqueROI

this business is personal



“I’ve been working with Alex and his support team for over 6 months now and their willingness to work on solutions that meet my client’s unique needs has really cemented the relationship. My business - and the hotels I work with - may be small, but we aren’t treated that way...and that makes a big difference.”

Thank You!

Download our FREE guide:
'How to diversify your hotel's distribution strategy'

www.siteminder.com/distribution101